

# Shah Gupta & Co.

## Chartered Accountants

### CERTIFICATE ON KPIS (BASIS FOR ISSUE PRICE)

Date: September 13, 2023

To,

#### The Board of Directors

**JSW Infrastructure Limited**  
JSW Centre,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051  
Maharashtra, India.

#### JM Financial Limited

7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi,  
Mumbai - 400 025  
Maharashtra, India.

#### Axis Capital Limited

1st Floor, Axis House  
C-2 Wadia International Centre  
Pandurang Budhkar Marg  
Mumbai - 400 025  
Maharashtra, India.

#### Credit Suisse Securities (India) Private Limited

9th Floor, Cecjay House Plot F  
Shiv Sagar Estate,  
Dr. Annie Besant Road, Worli  
Mumbai – 400 018  
Maharashtra, India.

#### DAM Capital Advisors Limited,

One BKC, Tower C, 15th Floor,  
Unit no. 1511,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400051  
Maharashtra, India.

#### HSBC Securities and Capital Markets (India) Private Limited

52/60 M. G. Road,  
Fort,  
Mumbai 400001  
Maharashtra, India.

#### ICICI Securities Limited

ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi,  
Mumbai - 400 025  
Maharashtra, India.

#### Kotak Mahindra Capital Company Limited

1<sup>st</sup> Floor, 27 BKC  
Plot No 27, 'G' Block  
Bandra Kurla Complex  
Bandra (E),  
Mumbai – 400051  
Maharashtra, India.

#### SBI Capital Markets Limited

Unit No. 1501, 15th floor, A & B  
Wing, Parinee Crescenzo  
Building, Plot C- 38, G Block,  
Bandra Kurla Complex  
Bandra (East),  
Mumbai-400051, Maharashtra,  
India.

*(The aforementioned book running lead managers and any other book running lead managers appointed by the Company are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")*

Dear Sir,

**Re: Certificate on key performance indicators ("KPI's") in respect of the basis for issue price (the "Statement")**

**Sub: Proposed initial public offering of equity shares of face value of ₹ 2 each (the "Equity Shares") of JSW Infrastructure Limited ("the Company" and such issue, the "Issue")**

1. This certificate is issued in accordance with the terms of our engagement letter reference dated December 26, 2022.
2. We, Shah Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, have been informed that the Company has filed the Draft Red Herring Prospectus dated May 9, 2023 with respect to the Issue (the "DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and proposes to file (i) Red Herring Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Mumbai ("Registrar of Companies" and such Red Herring Prospectus, the "RHP"); (ii) Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the "Prospectus"); and (iii) any other documents or materials to be issued in relation to the Issue (collectively with the DRHP, RHP and Prospectus, the "Issue Documents").



3. We have been requested by the Company to verify, confirm, and certify the Computation, arithmetic accuracy or computation of the percentages or amounts of the KPI's as detailed out in **Annexures A** (the "Statement").

#### **Management's Responsibility**

4. The preparation of the accompanying Statement (attached as Annexure A hereto) is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the ICDR Regulations in relation to the Issue.

#### **Auditor's responsibility**

6. Our responsibility is to obtain reasonable assurance and report that the amounts stated in the accompanying Statement have been accurately extracted from the Restated Consolidated Financial Information of the Company as at and for three months ended June 30, 2023 and June 30, 2022 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and other records of the company.
7. The restated financial statements of the Company and its Subsidiaries for three months ended June 30, 2023 and June 30, 2022, and financial years ended March 31, 2023, 2022, and 2021, have been prepared in accordance with the ICDR Regulations as amended, the Indian Accounting Standards, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India and Companies Act, 2013, as amended and read with the rules, circulars and notifications issued in relation thereto. These Restated Consolidated Financial Information have been examined by us and on which we have issued our examination report dated July 21, 2023.
  - a. The Restated Consolidated Financial Information as at and for the three months ended June 30, 2023 and June 30, 2022 has been compiled by the management of the Company from the special purpose interim audited consolidated financial statements of the Company and its Subsidiaries as at and for the three months period ended June 30, 2023 and June 30, 2022 (the "**Special Purpose Interim Audited Consolidated Financial Statements**") prepared in accordance with recognition and measurement principles of India Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on July 21, 2023. Audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
  - b. The Restated Consolidated Financial Information of the Company and its Subsidiaries, as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 has been compiled by the management of the Company from the audited consolidated financial statements of the Company and its Subsidiaries as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meetings held on May 18, 2023, May 17, 2022, and May 15, 2021 respectively. Audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





## Other Matters

12. We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of receipt of any such communication from the management, Book Running Lead Managers and the legal counsel can assume that there is no change to the above information.
13. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents

## Restriction on Use

14. This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsels appointed by the Company and the Book Running Lead Managers in relation to the Issue. We hereby consent to extracts of, or reference to, this certificate being used in Issue Documents. We also consent to the submission of this certificate as may be necessary, SEBI, Stock Exchanges, Registrar of Companies and to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Issue and in accordance with applicable law.
15. This certificate has been prepared at the request of the Company solely for the purpose of the Issue and it should not be used by any other person or for any other purpose.

For **SHAH GUPTA & Co.,**

Chartered Accountants

Firm Registration No.: 109574W



**Vipul K Choksi**

Partner

M. No. 037606

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Place: Mumbai

Date: September 13, 2023



**Cc:**

### Legal Counsel to the Company as to Indian Law

**Khaitan & Co.**

One World Center, 10th & 13th Floors,

Tower 1C, 841 Senapati Bapat Marg,

Mumbai 400 013, Maharashtra, India

### Legal Counsel to the Book Running Lead Managers as to Indian Law

**Trilegal**

One World Centre,

10th floor, Tower 2A & 2B,

Senapati Bapat Marg, Lower Parel

Mumbai 400 013

Maharashtra, India

### Legal Counsel to the Book Running Lead Managers as to International Law

**Linklaters Singapore Pte. Ltd**

One George Street #17- 01

Singapore 049145

## Annexure A

The KPIs disclosed below have been used historically by the Company to understand and analyze its financial business and operational performance, which in result, help them in analyzing the growth of business verticals in comparison to its peers. The Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of the Audit Committee dated September 13, 2023. Further, the members of the Audit Committee have confirmed the details of all KPIs pertaining to the Company and confirmed that there are no KPIs (other than those disclosed herein) pertaining to the Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the DRHP.

**Details of KPIs as at/ for the three months period ended June 30, 2023 and June 30, 2022, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.**

(₹ in million, unless mentioned otherwise)

KPI	As of/ for the				
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Revenue from operations	8,781.03	8,197.04	31,947.40	22,730.59	16,035.70
Revenue Growth (%)	7.12%	NA	40.55%	41.75%	40.28%
Total Income	9,182.39	8,611.20	33,728.53	23,787.38	16,782.63
Operating EBITDA	4,513.44	4,309.94	16,201.89	11,094.31	8,164.39
Operating EBITDA Margin (%)	51.40%	52.58%	50.71%	48.81%	50.91%
EBITDA	4,914.80	4,724.11	17,983.02	12,151.10	8,911.32
EBITDA Margin (%)	53.52%	54.86%	53.32%	51.08%	53.10%
Restated profit for the period / year after tax ("PAT")	3,222.04	1,925.51	7,495.13	3,304.37	2,846.24
PAT Margin (%)	35.09%	22.36%	22.22%	13.89%	16.96%
Net Worth	42,461.02	33,536.23	39,346.38	32,121.31	28,311.81



KPI	As of/ for the				
	Three-month period ended June 30, 2023	Three-month period ended June 30, 2022	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2021
Net Debt	18,737.77	31,913.58	22,157.54	33,311.18	36,090.50
Net Debt to Operating EBITDA	4.15*	7.40*	1.37	3.00	4.42
Net Debt to Equity (Gearing Ratio)	0.43	0.88	0.54	0.96	1.17
Return on Equity (RoE) (%)	7.32%*	5.32%*	18.33%	9.52%	9.22%
Return on Capital Employed (RoCE) (%)	5.68%*	4.98%*	19.49%	10.88%	8.15%
EPS	1.78*	1.06*	4.12	1.82	1.62
Operating Cash Flow	3,644.62	3,926.80	17,972.28	11,762.32	9,901.88
Installed Capacity (MMT)	158.43*	153.43*	158.43*	153.43*	119.23*
Capacity Utilization (%)***	62.64%**	59.10%**	56.88%	38.41%	35.19%
Total cargo volume handled (MMT)	25.42*	23.33*	92.83	61.96	45.55
Total Cargo Growth (%)	8.96%	NA	49.81%	36.03%	33.93%

\*Not annualised

\*\*Capacity Utilisation for the three months ended June 30, 2023 and June 30, 2022 has been calculated based on proportionate installed capacity for the three months period ended June 30, 2023 and June 30, 2022 respectively.

\*\*\*based on certificate by independent chartered engineer Mr. Varun Sarpangal dated September 12, 2023 capacity utilization is calculated as total cargo volume handled in India (excluding cargo handled at berths in Mormugao Port that are not licensed to, owned or operated by us, of 0.61 MMT, 0.66 MMT, 2.70 MMT, 3.02 MMT and 3.59 MMT in the three month periods ended June 30, 2023 and three month period ended June 30, 2022 and fiscal 2023, 2022 and 2021 respectively) divided by the installed capacity at our nine Port Concessions.

#based on certificate by independent chartered engineer Mr. Varun Sarpangal dated September 12, 2023.

NA – Not available since past comparative period is not disclosed in this certificate.

Notes:

- 1) The above financial information has been extracted from the Restated Consolidated Financial Information (to the extent applicable).



The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations are set forth below:

Metric	Explanation for the KPI
Revenue from operations	Revenue from operations represents the scale of the business as well as provides information regarding the overall financial performance.
Revenue Growth (%)	Revenue Growth (%) represents year-on-year growth of the business operations in terms of revenue generated by the Company.
Total Income	Total income represents the scale of the business as well as provides information regarding operating and non-operating income.
Operating EBITDA	Operating EBITDA provides information regarding the operational efficiency of the business. It facilitates evaluation of year-on-year operating performance of the business and excludes other income.
Operating EBITDA Margin (%)	Operating EBITDA Margin (%) is an indicator of the operational profitability of the business and assists in tracking the margin profile of the business, the historical performance, and provides financial benchmarking against peers.
EBITDA	EBITDA provides a comprehensive view of the Company's financial health as it considers all sources of the income.
EBITDA Margin (%)	EBITDA Margin (%) is a financial ratio that measures the profitability as a percentage of its total income, including both operating and non-operating gains or losses.
Restated profit for the period / year after tax ("PAT")	PAT represents the profit / loss that the Company makes for the financial year or during a given period. It provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of the business and provides the financial benchmarking against peers as well as to compare against the historical performance of the business.
Net Worth	Net Worth is an indicator of the company's financial standing/ position as of a certain date. Net Worth is also known as Book Value or Shareholders' Equity.
Net Debt	Net Debt is a liquidity metric and it represents the absolute value of borrowings net of cash and cash equivalents, bank balances other than cash and cash equivalents and current investments in the company.



Metric	Explanation for the KPI
Net Debt to Operating EBITDA ratio	Net Debt to Operating EBITDA ratio enables the Company to measure the ability and extent to which the Company can cover the debt in comparison to the Operating EBITDA being generated by the Company.
Net Debt to Equity Ratio (Gearing Ratio)	Net Debt to Equity Ratio is a measure of the extent to which the Company can cover the debt and represents the debt position in comparison to the equity position. It helps evaluate the financial leverage.
Return on Equity (RoE) (%)	Return on Equity represents how efficiently the Company generate profits from the shareholders funds.
Return on Capital Employed (RoCE) (%)	Return on Capital Employed represents how efficiently the Company generates earnings before interest & tax from the capital employed.
EPS	EPS (Earnings Per Share) represents the net profit generated per equity share and can be used to compare the performance against the peers or to assess the value of the shares.
Operating Cash Flow	Operating Cash Flow is a measure of the cash generated or used by a company's core operations, excluding any financing or investing activities
Installed Capacity (MMT)	Indicates the aggregate cargo handling capacity across all the ports and port terminals operated by the Company
Capacity Utilization (%)	Indicates how efficiently the Company is utilising the ports and port terminals i.e. how effectively The Company is sweating the assets and also how much will be the % of asset capacity already used at the existing ports and port terminals to handle increase in cargo volume
Total cargo volume handled (MMT)	Total cargo volume handled (MMT) represents the scale of a company's business in terms of the aggregate cargo volume handled during a given period at its existing ports and port terminals.
Total Cargo Growth (%)	Total Cargo Growth (%) represents year on year growth of the business operations in terms of cargo handled which has a direct impact on the revenue generated by the Company.





We are also stating the formula used for computing numbers as set out in the above table:

KPI	Formula
Revenue Growth (%)	Revenue Growth (%) is calculated as Revenue from operations for the current period/year minus Revenue from operations for the previous period/ year as a % of Revenue from operations for the previous period/year.
Operating EBITDA	Operating EBITDA is calculated as Restated profit before exceptional items and tax minus Other Income plus Finance Costs, Depreciation and amortisation expense.
Operating EBITDA Margin (%)	Operating EBITDA Margin (%) is the percentage of Operating EBITDA divided by Revenue from operations.
EBITDA	EBITDA is calculated as Operating EBITDA plus Other Income.
EBITDA Margin (%)	EBITDA Margin (%) is calculated as EBITDA divided by Total Income.
PAT Margin (%)	PAT Margin (%) is calculated as Restated profit (after tax) for the period / year as a % of Total Income.
Net Worth	Net worth has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2021; 2022, 2023 and June 30, 2023 and June 30, 2022, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended. It excludes NCI.
Net Debt	Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money and DSRA Account) and current investments. Total Debt is computed as Non-Current Borrowings plus Current Borrowings.
Net Debt to Operating EBITDA Ratio	Calculated as Net Debt divided by Operating EBITDA.
Net Debt to Equity Ratio (Gearing Ratio)	Calculated as Net Debt divided by Total Equity.
Return on Equity (RoE) (%)	ROE is calculated as PAT as a % of Total Equity.
Return on Capital Employed (RoCE) (%)	ROCE is calculated as EBIT as a % of Capital employed wherein capital employed refers to sum of Total Equity and Net Debt. EBIT is calculated as operating EBITDA minus depreciation and amortisation



KPI	Formula
EPS	PAT/Weighted average number of equity shares outstanding during the period/year. The weighted average number of equity shares outstanding during the period / year is adjusted for treasury shares, bonus issue and sub-division of Equity Shares.
Capacity Utilization (%)	Calculated as total cargo volume handled (excluding cargo volume handled at berths in Mormugao Port that are not owned, licensed to or operated by the Company and its subsidiaries) as a % of the Installed Capacity
Total Cargo Growth (%)	Total Cargo Growth (%) is calculated as cargo for the current period/year minus cargo for the previous period/year as a % of cargo for the previous period/year.

#### Comparison of the KPIs with the listed industry peers

While the listed peer (Adani Ports and SEZ Limited), like the Company, operates in the port sector and may have similar service offerings, the business may be different in terms of differing scale, business models, product verticals serviced, cargo mix or focus areas or geographical presence. The following table provides a comparison of the KPIs of the Company with the listed peer (Adani Ports and SEZ Limited):

(₹ in million, unless mentioned otherwise)

Particulars	As at and for the Fiscal Year ended March 31, 2023	
	The Company (JSW Infrastructure Limited)	Adani Ports and SEZ Limited
Revenue from operations	31,947.40	2,08,519.10
Revenue Growth (%)	40.55%	30.86%
Total Income	33,728.53	2,24,053.90
Operating EBITDA	16,201.89	1,28,334.50
Operating EBITDA Margin (%)	50.71%	61.55%
EBITDA	17,983.02	1,43,869.30
EBITDA Margin (%)	53.32%	64.21%
Restated profit for the period / year after tax ("PAT")	7,495.13	53,927.50
PAT Margin (%)	22.22%	24.07%
Net Worth	39,346.38	4,55,835.80
Net Debt	22,157.54	3,99,888.70



Particulars	As at and for the Fiscal Year ended March 31, 2023	
	The Company (JSW Infrastructure Limited)	Adani Ports and SEZ Limited
Net Debt to Operating EBITDA	1.37	3.12
Net Debt to Equity (Gearing Ratio)	0.54	0.85
Return on Equity (RoE) (%)	18.33%	11.49%
Return on Capital Employed (RoCE) (%)	19.49%	10.83%
EPS	4.12	24.58
Operating Cash Flow	17,972.29	1,19,332.50
Installed Capacity (MMT)	158.43	562 <sup>(4)</sup>
Capacity Utilization (%)	56.88%	60.36%
Total cargo volume handled (MMT)	92.83	339.2
Total Cargo Growth (%)	49.81%	8.72% <sup>(5)</sup>

**Notes:**

- 1) *The financial information pertaining to the Company has been extracted or derived from the Restated Consolidated Financial Information.*
- 2) *The financial information pertaining to Adani Ports and SEZ Limited has been extracted or derived from its audited consolidated financial statements for the year ended March 31, 2023 as available on the website of the stock exchanges and the company.*
- 3) *For details and formulas of the method of computation of the above KPIs, see the note above.*
- 4) *Installed capacity does not include cargo handling capacity for Karaikal Port (22MMT) and Vizhinjam Port (18 MMT).*
- 5) *Cargo for the year ended March 31, 2023 and the year ended March 31, 2022 included the cargo handled by Gangavaram Port Limited.*

**Comparison of KPIs based on additions or dispositions to the business**

The Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

**Notes:**

*Acquisition /divestment would be considered as material if acquired/divested business or subsidiary in aggregate contributes 20% or more to turnover, net worth or profit before tax in the latest annual Restated Consolidated Financial Information.*

